ABSTRACT
This policy has been drawn up in terms of Section 3 of the Local Government: Municipal Property Rates Act, 2000 (Act 6 of 2004) and Lesedi Local Municipality's Rates By-Law

2016/2017

PROPERTY RATES POLICY 2016/2017

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PREAMBLE

WHEREAS : Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) (MPRA) determines that a municipality should adopt a rates policy in accordance to the determination of the Act.

Legal Requirement that all Municipalities must comply in terms of the MPRA.

This policy does not contain all provisions of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) but lists the key provisions that the municipality deems necessary for residents/ratepayers to be aware of so that they get a full picture of rating issues that will affect them and "therefore must be read in conjunction with, and is subject to the stipulations of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and any regulations promulgated in terms thereof from time to time.

NOW THEREFORE The following policy on the levying of property tax is adopted.

1. OBJECTIVE

In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, namely that:

- the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;
- revenues derived from property rates is a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation ; and
- It is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the

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nation and which takes account of historical imbalances and the burden of rates on the poor.

In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act, Act no. 6 of 2004 including any regulations promulgated in terms of that Act.

The objective of this policy is also to ensure that-

- all ratepayers within a specific category are treated equally and reasonably ;
- rates are levied in accordance with the market value of the property;
- the rate will be based on the value of all rateable property and the amount required by the municipality to balance the operational budget, taking into account the surplus obtained from the trading- and economical services and the amounts required to cover the costs of exemptions, reductions and rebates that the municipality approve from time to time;
- income from rates will be used to finance community and subsidized services and not trading or economical services;
- to optimally safeguard the income base of the municipality through exemptions, reductions and rebates that is reasonable and affordable.

2. DEFINITIONS

1. All the definitions shall have the same interpretation as defined in the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) including definitions in regulations made in terms of section 85 of the Act.

2. Definitions

''Act'' means the Local Government: Property Rates Act, No 6 of 2004 and includes the regulations made in terms of Section 83 of the Act;

''agricultural purposes'' refers to the active pursuit, for primary income generation, of farming activity;

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''bona fide farmer'' is a person that is fulltime farmer and if such land is used *bona fide* and exclusively by the owner or occupier for agricultural purposes;

''chief financial officer'' means a person designated in terms of section 80(2)*(a)* of the Local Government: Municipal Finance Management Act 56 of 2003.

"commercial use" means land used or a building designed or used for such purposes as distribution centres, wholesale trade, storage, computer centres, warehouses, cartage- and transport services and laboratories and may also include offices such as are usually ancillary to or reasonably necessary in connection with the main use.

'core family'' means a couple, irrespective of gender (whether married or not), with or without children and/or the parents of either;

"Council" means-

(a) the Lesedi Local Municipality established in terms of as section 12 of the Local Government: Municipal Structures Act, 117 of 1998, as amended, exercising its legislative and executive authority through its municipal Council; or

(b) its successor in title; or

(c) a structure or person exercising a delegated power or carrying out an instruction, where any power in this policy has been delegated or sub-delegated, or an instruction given, as contemplated in section 59 of the Systems Act,

(d) in respect of ownership of property, ratability and liability for rates, a service provider fulfilling a responsibility assigned to it,

(e) through a service delivery agreement in terms of section 81(2) of the Systems Act or any other law, as the case may be;

''due date'' means the date specified as such on a municipal account dispatched from the offices of the responsible officer for any rates payable and which is the last day allowed for the payment of such rates (10th of the month);

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‘’exclusion’’ in relation to a municipality's rating power, means a restriction of that power as provided for in Section 17 of the Act;

‘’ exclusive use area’’ means part or parts of the common property for the exclusive use by the owner or owners of one or more owners referred to Sectional Titles Act;

‘’exemption’’ in relation to the payment of a rate, means an exemption granted by the Municipality in terms of Section 15 of the Act;

‘’dwelling’’ means a house designed to accommodate a single core family, including the normal outbuildings associated therewith;

‘’farm property’’ refers to property that is used productively for agricultural and farming purposes, either on a full-time or a part time basis, regardless of whether or not agriculture forms the principal source of income;

"financial year" means any period commencing on July of a calendar year and ending on 30 June of the next succeeding calendar year;

"industrial use" means the use of land or a building designed or used as a factory within the meaning of the Factories, Machinery and Building Works Act, 1941 (Act 22 of 1941) and any amendments thereof and includes any office or other building on the same site, the use of which is incidental to, or reasonably necessary in connection with the use of such factory but shall not include noxious industrial uses, a single dwelling unit, dwelling units and public garages;

‘’land tenure right’’ means

a land tenure right(Amended by s1 of Act 29 of2014) as defined in section 1 of the upgrading of Land Tenure Rights Act 1991 (Act 112 of 1991); (Added by s24 of Act 19 0f 2008)

‘’market value’’ in relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

‘’ mining property’’ means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);(Amended by s1 of Act 29 of 2014)

‘’multiple-use property’’ in relation to a property, means the use of a property for more than one purpose,

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subject to section 9;(Amended by s1 of Act 29 of 2014) **''municipal council''** or **''council''** means a municipal council referred to in section 18 of the Municipal Structures Act;

''Municipal Finance management act'' means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

''Municipal Manager'' means a person appointed in terms of section 82 of the Municipal Structures Act;

"municipal property" means property owned, vested or under the control and management of the Council or it's service provider in terms of any applicable legislation;

''Municipal Structures Act'' means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)

''Municipal Systems Act'' means the Local Government: Municipal Systems Act, No 32 of 2000;

''municipal valuer or ''valuer of a municipality'' means a person designated as a municipal valuer in terms of section 33(1);

''newly rateable property'' means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding-

(a) a property which was incorrectly omitted from a valuation roll and for that reason was

not rated before that date; and

(b) a property identified by the Minister by notice in the Gazette where phasing-in of a rate

is not justified;

''occupier'' in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

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''office bearer'', in relation to places of public worship, means the primary person who officiates at services at that place of worship; (Added by s1 of Act 29 of 2014)

''**official residence''**, in relation to places of public worship, means-

(a) a portion of the property used for residential purposes: or

(b) one residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for an office bearer;". (Added by s1 of Act 29 of 2014)

''organ of state'' means an organ of state as defined in section 239 of the Constitution;

''owner'' means:

a) in relation to a property referred to in paragraph (a) of the definition of 'property', a person in whose name ownership of the property is registered;

b) in relation to a right referred to in paragraph (b) of the definition of 'property', a person in whose name the right is registered;

(bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983,and published in Government Notice R327 of 24 February 1984; (Added by s1 of Act 29 of 2014)

(bB) in relation to a share block company, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980); (Added by s1 of Act 29 of 2014)

(bC) in relation to buildings, other immovable structures and infrastructure referred to in

section 17(1)(f), means the holder of the mining right or the mining permit; and(Added by s1 of Act 29 of 2014)

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c) in relation to a land tenure right referred to in paragraph (c) of the definition of 'property', a person in whose name the right is registered or to whom it was granted in terms of legislation; and

d) in relation to public service infrastructure referred to in paragraph (d) of the definition of 'property', the organ of state that owns or controls that public service infrastructure; provided that a person mentioned below may for the purpose of the Act be regarded by a municipality as the owner of a property in the mentioned circumstances:

(i) a trustee in the case of a property registered in the name of the trustee in a trust, excluding state trust land;

(ii) an executor or administrator, in the case of a property in a deceased estate;

(iii) a trustee or liquidator, in the case of a property in an insolvent estate or an estate in liquidation;

(iv) a judicial manager, in the case of a property in the estate of a legal person under judicial management;

(v) a curator, in the case of a property in the estate of a person under curatorship;

(vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

(vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it to the lessee;

(viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or(Added by s1 of Act 29 of 2014)

(viii) a buyer, in the case of a property that has been sold by the Municipality and of which possession has been given to the buyer pending registration of ownership in the name of the buyer; or an occupier of a property that is registered in the name of the Municipality.

''permitted use'' in relation to a property, means the limited purposes for which the property may be used in terms of -

(a) any restrictions imposed by -

(i) a condition of title;

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(ii) a provision of a town planning or land use scheme; or
(iii) any legislation applicable to any specific property or properties;
(c) any alleviation of any such restrictions;

''person'' includes an organ of state;

"place of public worship" means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is-
(a) registered in the name of a religious community;
(b) registered in the name of a trust established for the sole benefit of a religious community; or
(c) subject to a land tenure right; (Added by s1 of Act 29 of 2014)

''prescribed'' means prescribe by regulation in terms of section 83;
''property'' means –

a) immovable property situated within the boundaries of the municipality registered in the name of a person including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
d) public service infrastructure;

''property register'' means a register of properties referred to in section 23;
''protected area'' means an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act (e.g. nature reserves, national parks etc.)
''publicly controlled'' means owned by or otherwise under the control of an organ of state, including -

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(a) a public entity listed in the Public Finance Management Act, 1999 (Act No. 1 of 1999);

(b) a municipality; or

(c) a municipal entity as defined in the Municipal Systems Act;

''public service infrastructure'' means publicly controlled infrastructure of the following kinds:

(a) Hospitals and clinics;

(b) schools, pre-schools, early childhood development centres or further education and

training colleges;

(c) national and provincial libraries and archives;

(d) police stations;

(e) correctional facilities; or

(f) courts of law,

but excludes property contemplated in the definition of "public service infrastructure";(Added by s1 of Act 29 of

(a) National, provincial or other public roads on which goods, services or labour move across a municipal boundary;

(b water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;

(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;

(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;

(e) railway lines forming part of a national railway system;

(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;

(g runways ~~or~~ aprons and the air traffic control unit at national or provincial airports ,including the vacant land known as the obstacle free zone surrounding these, which must be vacant for the air navigation purposes; (Amended by s1 of Act 29 of 2014)

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(h breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;

(i) any other publicly controlled infrastructure as may be prescribed; or

(j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs *(a)* to *(i)*;

''public service purposes'' in relation to the use of a property, means property owned and used by an organ of state as-

(a) Hospitals and clinics;

(b) schools, pre-schools, early childhood development centres or further education and training colleges;

(c) national and provincial libraries and archives;

(d) police stations;

(e) correctional facilities; or

(f) courts of law, but excludes property contemplated in the definition of "public service infrastructure";(Added by s1 of Act 29 of

''rate'' means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;

"ratepayer" means any owner of rateable property as well as any owner of a rateable property held under sectional title, situate within the area of jurisdiction of the Council;

''rateable property'' means property on which a municipality may, in terms of Section 2 of the Act, levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;

''ratio'' in relation to section 19, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are

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inclusive of any relief measures that amount to rebates of a general application to all properties within a property category;(Added by s1 of Act 29 of 2014)

''rebate'', in relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property;

''reduction'', in relation to a rate payable on a property, means the lowering in terms of Section 15 of the Act of the amount for which the property was valued and the rating of the property at that lower amount;

''register'' means to record in a register in terms of-

(i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or

(ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and

(b) includes any other formal act in terms of any other legislation to record-

(i) a right to use land for or in connection with mining purposes; or

(ii) a land tenure right;

''residential property'' means a property included in a valuation roll in terms of section 48 (2) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9;(Amended by s1 of Act 29 of 2014)

THIS DEFINITION SPECIFICALLY EXCLUDES VACANT LAND IRRESPECTIVE OF ITS ZONING OR INTENDED USE

''smallholding'' refers to property, whether improved by the construction of a dwelling or not, not large enough to support a commercially viable farming operation, but able to provide a subsistence level of output to the owner of the property.

"school" means a school as defined in the South African Schools Act, Act 84 of 1996;

"Scheme" means the Lesedi Town Planning Scheme, 2007

''Sectional Titles Act'' means the Sectional Titles Act, 1986 (Act No. 95 of 1986);

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‘‘sectional title scheme’’ means a scheme defined in section 1 of the Sectional Titles Act;

‘‘sectional title unit’’ means a unit defined in section 1 of the Sectional Titles Act;

‘’ specified public benefit activity’’ means an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act;

"service provider" means a service provider contemplated in paragraph (d) of the definition of "Council";

"State" means the National Government and the Gauteng Provincial Government;

“ State trust land” means land owned by the state-

(a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;

(b) over which land tenure rights were registered or granted; or

(c which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act 22 of 1994);

"the Act" means the Local Government : Municipal Property Rates Act, 2004 (Act No. 6 of 2004);

"technical and other colleges" means a public college and a private college as contemplated in the Further Education and Training Colleges Act, 2006 (Act No. 16 of 2006);

"town planning scheme" means –

(a) a town-planning scheme, which is in operation as contemplated in the Town Planning and Townships Ordinance. and

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(b) any scheme or document which in terms of any applicable legislation is legally in operation and records or sets out, by means of maps, schedules or any other document, the development rights specifying the purpose for which land may lawfully be used or any buildings may be erected, or both;

"university" means any university and technicon as defined in section 1 of the Higher Education Act, 1997 (Act No. 101 of 1997);

“Vacant land” means any undeveloped land/ erf within a proclaimed township or a land development area and will continue to be rated as vacant until such time as a certificate of occupancy is issued by the Council;

‘‘vacant land residential’’ means undeveloped land / erf for residential use;

‘‘vacant land industrial’’ means undeveloped land / erf for industrial use;

‘‘vacant land business and commercial’’ means undeveloped land / erf for business and commercial use;

"zoning" means the purpose for which land may lawfully be used or on which buildings may be erected or used, or both, as contained in an applicable town planning scheme and "zoned " has a corresponding meaning. Where a property carries multiple zoning rights, the categorisation of such property will be by apportioning the market value of the property, in a manner as may be prescribed, to the different purposes for which the property is used; an applying the rates applicable to the categories determined by the Municipality for properties used for those purposes to the different market value apportionments.

3. PURPOSE OF THE POLICY

The purposes of the policy are:-

1. To comply with the provisions as set out in section 3 of the Act.
2. To determine criteria to be applied for:

    a) Levying differential rates for different categories of properties;
    b) exemptions;
    c) Grants, rebates and reductions and

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d) rate increases.

3. To provide criteria for the determination of:-

a) categories of properties for the purpose of levying different rates; and
b) categories of owners of properties for categories of properties, for the purpose for the granting of exemptions, rebates and reductions.

4. Determine how the municipality's powers must be exercised in relation to multi purpose properties.
5. Identify and quantify to the municipality in terms of cost and benefit to the community

a) exemptions, rebates and reductions;
b) exclusions; and
c) rates on properties that must be phased in.

6. Take into account the effect of rates on the poor.
7. Take into account the effect of rates on organisations conducting public benefit activities.
8. Take into account the effect of rates on public service infrastructure.
9. Determine measures to promote local economic and social development.
10. Identify all rateable property that is not rated.

4. POLICY PRINCIPLES

The council shall as part of each annual operating budget component impose a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll. Rateable property shall include any rights registered against such property, with the exception of a mortgage bond. The council pledges itself to limit each annual increase as far as practicable to the increase in the consumer's price index over the period proceeding the financial year to which the increase relates, except when the

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approved Integrated Development Plan of the Municipality provides for a greater increase.

The council shall, in imposing the rate for each financial year, take proper cognisance of the aggregate burden of rates and service charges on representative property owners, in the various categories of property ownership.

The council shall further, in imposing the rate for each financial year, strive to ensure that the aggregate budgeted revenues from property rates, less revenues forgone and less any contributions to the provision for bad debts, not exceed 25% (twenty five percent) of the municipality's aggregate budgeted net revenues for the financial year concerned. By doing so, the municipality will ensure that its revenue base and the collectability of its revenues remain sound. Other policy principles:

1. All ratepayers, in a specific category, as determined by council from time to time, will be treated equitably and equally.
2. Rates will be raised in proportion to the improved value of the property.
3. The rates tariff will be based on the market value of all rateable properties and the amount required by the municipality to balance the operating budget after taking in account profits generated on trading and economic services and the amounts required to cover the cost of exemptions, rebates and grants in-aid of rates as approved by council from time to time.
4. Trading and economic services will be ring-fenced and tariffs and service charges calculated in such a manner that the income generated covers the cost of the services or generates a profit.
5. Profits on trading and economic services can be used to subsidise community and subsidised services.
6. The provision for working capital for community and subsidised services must be equal to the non-payment of rates during the previous financial year and must not include any working capital provision relating to trading and economic services.
7. The income base of the municipality will be protected by limiting exemptions, grants, rebates and reductions.

8. Rates are levied in accordance with the Act as an amount in the Rand based on the market value of all rateable property as reflected in the valuation roll and supplementary valuation rolls, as contemplated in Chapters 6 and 8, respectively, of the Act.

The above principals will ensure that the Council does not become reliant on its rates income. This will also ensure that rates charged to property owners will be affordable. In order for rates not to be a burden on the poor, Council will endeavour that except for the exemption of the first R15 000 of the market value of a property assigned in the valuation roll and supplementary valuation rolls of a municipality to a category determined by the municipality for residential properties; or for properties used for multiple purposes, provided one or more components of the property are used for residential purposes also provide for rebates for the following categories;

- All improved residential properties, including farms and small holdings less than 10 hectares that are not used for bona fide farming but for residential purposes;
- All Sectional title properties used for residential purposes;
- Properties used for multiple purposes with sectional title dwelling units, provided one or more components of such properties are used for residential purposes such residential portion only and
- All vacant residential land with a market value of R40 000 and less but greater than R15000 is entitled to a 100% rebate.

The rebates will be determined annually during the budget process and should be affordable and cost efficient.

5. CLASSIFICATION OF SERVICES AND EXPENDITURE

1. The Chief Financial Officer shall, subject to the guidelines provided by the National Treasury and Mayoral Committee of the Council, make provision for the following classification of services:-

(a) ***Trading services***

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(i) Water.

(ii) Electricity.

(iii) Holiday resorts.

(b) ***Economic services***

(i) Refuse removal.

(ii) Sewerage disposal.

(c) ***Community services***

(i) Air pollution.

(ii) Fire fighting services.

(iii) Local tourism.

(iv) Municipal planning.

(v) Municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law.

(vi) Storm water management system in built-up areas.

(vii) Trading regulations.

(viii) Fixed billboards and the display of advertisements in public places.

(ix) Cemeteries.

(x) Control of public nuisances.

(xi) Control of undertakings that sell liquor to the public.

(xii) Township development.

(xiii) Facilities for accommodation, care and burial of animals.

(xiv) Fencing and fences.

(xv) Licensing and control of undertakings that sell food to the public.

(xvi) Local amenities.

(xvii) Local sport facilities.

(xviii) Municipal parks and recreation.

(xix) Municipal roads.

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(xx) Noise pollution.
(xxi) Public places.
(xxii) Street trading/street lighting.
(xxiii) Traffic and parking.
(xxiv) Building control.
(xxv) Licensing of motor vehicles and transport permits.
(xxvi) Licenses – Drivers and learners including renewal of
(xxvii) Nature reserves.

(d) ***Subsidised services***
(i) Health and ambulance.
(ii) Libraries and museums.
(iii) Proclaimed roads.

2. Trading and economic services must be ring-fenced and financed from service charges while community and subsidised services will be financed from rates.

Categorisation of expenditure

3. Expenditure will be classified in the following categories.
(i) Salaries, wages and allowances.
(ii) Bulk purchases.
(iii) General expenditure.
(iv) Repairs and maintenance.
(v) Capital charges (interest and redemption)/depreciation.
(vi) Contribution to fixed assets.
(vii) Contribution to funds-
(a) bad debts.
(b) working capital; and
(b) statutory funds.
(viii) Contribution to reserves.
(ix) Gross expenditure.
(x) Less charge-out.

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(xi) Net expenditure.

(xii) Income.

(xiii) Surplus/Deficit.

Cost Centres

4. Cost centres will be created to which the costs associated with providing the service can be allocated-

(a) by Department;

(b) by Section/service; and

(c) by Division/service.

5. The subjective classification of expenditure each with a unique vote will be applied to all cost centres.

6. CATEGORIES OF PROPERTY

Properties will be categorised as follows:-

(a) Residential properties.

(b) Industrial properties.

(c) Business properties and commercial properties.

(d) Agricultural properties (Farms and Agricultural Holdings) used for -

(i) Agricultural properties used for agricultural purposes;

(ii) Agricultural properties used for Business and commercial purposes;

(e) State-owned properties.

(f) Municipal properties.

(g) Public service infrastructure.

(h) Communal land as defined in the Communal Land Rights Act.

(i) State trust land.

(j) Protected areas.

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(k) National monuments

(l) Properties owned by public benefit organisations [Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962)].

(m) Exclusive use areas

(n) Servitudes

(o) Township Title Properties

(p) Multiple use properties

(q) Residential vacant land

(r) Vacant land (Industrial, Business and commercial)

6.1 Classification of categories of property

The categories of property specified above are further circumscribed as follows:

(a) Residential property includes the following:

(i) Residential

Property zoned and used for residential purposes but excluding any business or commercially zoned property with a residential component or residential with consent use.

(ii) Residential sectional title

Property zoned residential and used solely for residential purposes held in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986) is, from the implementation of the Act, individually subject to the levying of rates;

(iii) Residential-consent use

A consent use is an extended right to use land or to erect and use a building on the land granted in terms of an applicable town planning scheme and will be rated according to use.

(i) If a consent use lapses, falls away by the effluxion of time, is withdrawn or ceases to be applicable for any other reason, the owner of property may apply to the

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Council for the reinstatement of the residential rate, which rate must be re-instated as from the date that the Council confirms that the property is only being used for residential purposes in terms of the zoning thereof;

(ii) Where a residential property with a market value less than that specified in the threshold is partially used for non- residential purposes, the said property will remain in the category of residential,

(iii) Consent use granted on any property other than residential will result in that property being rated at the tariff applicable to the business, commercial and industrial category.

(b) Industrial properties

Property in this category includes –

(i) Property zoned and used solely for Industrial purposes;

(ii) Property zoned general used for Industrial purposes unless such property *is* used for residential purposes in which case the residential rate tariff will be applied;

(c) Business and commercial properties

Property in this category includes -

(i) Property zoned and used for business and commercial purposes;

(ii) Property used for game farming and / or eco –tourism;

(iii) Property used as a race course for any racing in connection with which betting is carried on by means of a totalized or otherwise; and

(iv) Property zoned general used for business and commercial purposes unless such property *is* used for residential purposes in which case the residential tariff will be applied;

Note: Business and commercial and industrial –sectional title

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It is permissible for a business to operate from a property that is held in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), in which case the sectional title owner is liable for rates.

(d) Agricultural properties

Property in this category includes –

(i) Property used for bona fide farming and agricultural purposes with the property owner deriving his principal source of income from the produce of the land; and

(ii) Property including small holdings not used for residential purposes.

(e) State-owned properties

(i) Property owned by the State or an organ of state is ratable;

(f) Municipal properties

(a) Municipal properties: not ratable

The following types of property owned by or vested in the Council are not ratable:

(i) Public service infrastructure owned by the Council or a service provider, including Public service infrastructure vested in the Council by virtue of the provisions of Section 63 of the Local Government Ordinance, (Ordinance 17 of 1939) as amended;

(ii) Refuse tip sites;

(ii) Municipal burial grounds and adjacent public open space within the burial ground precinct and municipal crematoria;

(iii) Property used for the provision of public parks and zoned as Public open space and includes undeveloped municipal property which is for the purposes of this Policy deemed to be public open space;

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(iv) Property used for culture, sporting and recreational facilities other than property subject to a registered lease in terms of the formalities in respect of Leases of Land Act, 1969 (Act No. 18 of 1969), in which case the area subject to the lease *is* separately rated;

(vi) Municipal housing schemes;

(b) Municipal properties : ratable

The following types of property owned by or vested in the Council are subject to rating:

(i) Property leased to third parties in terms of a lease registered in terms of the Formalities in respect of Leases of Land Act, 1969; and

(ii) Municipal property used for purposes other than those specified.

(g) Public Service Infrastructure

All properties as defined per definition and properties falling in this category will be rated as published in the Government Gazette, No. 32061, 27 March 2009.

(h) Communal land as defined in the Communal Land Right Act Category should be ''land tenure right''

a land tenure right (amended by s1 of Act 29 of 2014) as defined in section 1 of the Upgrading of Land Tenure Rights Act 1991 (Act 112 of 1991); (added by s24 of Act 19of 2008)

(i) State Trust Land

Land owned by the state-

(a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;

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(b) over which land tenure rights were registered or granted; or

(c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act 22 of 1994);

(j) Protected Areas

Protected area is an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act;

(k) National Monuments (Exempted in terms of section 17(e) of the Act)

(l) Properties owned by Public benefit Organisations [Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962)

''Public benefit organization'' means any organization as defined in section 30 of the Income Tax Act 1962 (Act no 58 of 1962)

''Public benefit organization'' and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth schedule to the Income Tax Act and 'public benefit properties' has a corresponding meaning;

(m) Exclusive use areas

A part or parts of the common property for the exclusive use by the owners of all the sections or erven in a privately owned town.

(n) Servitudes

Right belonging to one person, in property of another, entitling the former either to exercise some right of benefit in the property, or to prohibit the latter from exercising one or other of his normal rights of ownership.

(o) Township title properties

Be dealt together with unregistered even, properties of which the certificate of registered title has not been issued and is not ratable.

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(p) Properties used for multiple purposes

1) A rate levied on a property assigned in terms of subsection (1)(c) to a category of properties used for multiple purposes must be determined by:-

a) apportioning the market value of the property, in a manner as may be prescribed, to the different purposes for which the property is used; and

b) applying the rates applicable to the categories determined by the municipality for properties used for those purposes to the different market value apportionments.

(q) Places of worship and vicarage

All property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

(r) Vacant land

Vacant land includes land without a zoning, proclaimed mining land, and any undeveloped land/ erf within a proclaimed township or a land development area contemplated in the Development Facilitation Act, 1995 (Act No. 67 of 1995), not transferred by a developer or an applicant under that Act, is considered to be vacant land:

i) Property will continue to be rated as vacant until such time as a certificate of occupancy is issued by the Council.

7. RATE RATIOS

The following rate ratios shall be applicable on the rate tariff set by Council:

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Categories	Ratio
Residential property	1:1
Business & commercial Property	1:2
Industrial Property	1:2
Agricultural properties used for farming and agricultural purposes	1:0.25
Agricultural properties used for business, commercial purposes	1:2
State owned properties	1:2
Municipal properties	Not rateable
Public service infrastructure	Not rateable
Communal land as defined in the Communal Land Rights Act	Not rateable
State trust land	Not rateable
Protected areas	Not rateable
National monuments	Not rateable
Properties owned by public benefit organizations	1:0.25
Exclusive use areas	1:1
Servitudes	1:1
Township title properties	Not rateable
Multiple use properties	According to use
Vacant land (business, industrial and commercial)	1:3
Vacant land (residential)	1:2

Must be read together with section 6.1

8. CATEGORIES OF OWNERSHIP FOR PURPOSES OF EXEMPTIONS, REBATES AND REDUCTIONS

8.1 When granting in terms of subsection (1) exemptions, rebates or reductions in respect of owners of categories of properties, a municipality may determine such categories in accordance with section 8(2) and subsection (2A), (Added by s11 of

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Act 29 of 2014) and when granting exemptions, rebates or reductions in respect of categories of owners of properties, such categories may include-

a) Household owners who are registered as indigents in terms of the adopted policy of Council.
b) Owners dependant on pension or a social grant for their livelihood.
c) Disabled and medically unfit owners.
d) Public benefit organisations and not-for-gain institutions;
e) Land reform beneficiaries**;**
f) Owners of agricultural or farm land who are bona fide farmers;
g) Owners of residential properties with a market value lower than an amount determined by the Municipality;
h) Specified development zones for commercial, industrial and residential development;
i) Municipal owned property;
j) State owned property;
k) Owners of property situated within an area affected by a disaster within the meaning of the Disaster Management Act, No. 57 of 2002. Whilst some categories of property and categories of owners are granted relief with regard to the payment of rates, no relief shall be granted in respect of the payment for rates to any category of owner of property or to owners of properties on an individual basis, and any relief granted shall only be by way of an exemption, rebate or reduction, as provided for in this Policy.

8.2 In addition to the categories of rateable property determined in terms of section 8(2), a municipality may, subject to any ratio determined in terms of section 19, for the purposes of granting exemptions, rebates and reductions, determine such categories based on-

(a) properties used for public service purposes; and

(b) properties to which the provisions of the National Heritage Resources Act, 1999 (Act No. 25 of 1999), apply, or an institution that has been declared to be subject to the Cultural Institutions Act, 1998 (Act No. 119 of 1998). (Added by s11 of Act 29 of 2014)

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9. LIABILITY FOR RATES

(1) Method and time of payment

Lesedi Local Municipality will recover rate levied in periodic installments of equal amounts twelve months. Installments are payable on or before the 15th day of every month, following the month in which it is levied. Interest charged on late payments and/or arrears will be payable as detailed in the tariff policy.

(2) Annual Payment Arrangements

Any rate payer may pay in advance although the rates will be levied on a monthly basis.

(3) Recovery of arrear rates from tenants, occupants (section 28)

If an amount due for rates levied in respect of a property is unpaid after the day determined, the municipality may recover the amount in whole or in part from a tenant or occupier of the property. The amount the municipality may recover from the tenant or occupier of the property is limited to the amount of the rent or other amounts due and payable by the tenant or occupant to the owner of the property. Any amount the municipality recovers from the tenant or occupier of the property may be set off, by the tenant or occupant, against any amount owed by the tenant or occupier to the owner.

(4) Recovery of rates Agents (section 29)

The municipality may recover the amount due for rates from an agent of the owner after it has given written notice to that agent or person. The amount the municipality may recover from the agent or other person is limited to the amount of rent received by the agent or person, less any commission due to that agent or person subject to the Estate Agents Act, 1976 (Act No. 112 of 1976). The agent or other person must, on request by the municipality, furnish the municipality with a written statement specifying all payments for

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rent on the property received by that agent or person during a period determined by the municipality.

(5) Interim Valuation Debits

In the event that a property has been transferred to a new owner and an Interim Valuation took place, the previous owner as well as the new owner will be jointly and severally responsible for the payment of the interim rates account.

(6) Ownership

Properties vesting in the Municipality during developments i.e. open spaces and roads should be transferred, at the cost of the developer to the Municipality. Until such time, rates levied will be for the account of the developer. No rebate will be granted before such transfer takes place.

(7) Clearance Certificate

Before any property can be transferred from one owner to another, all outstanding amounts associated with the relevant property are payable, where after the Accounting Officer will issue a certificate to that effect in terms of section 118 (1) of the Systems Act, 2000. No transfer of ownership will be processed at the Deeds Office without such a certificate.

All monies provided for in respect of section 118 of the Systems Act, 2000 that have not become prescribed in terms of the Prescription Act,1969 will be subject to the Municipality's hypothec/lien provided for in section 118 (3) of the Systems Act. Notwithstanding payment by the applicant of the outstanding amounts for the preceding two years as provided for in subsection 118,the clearance certificate will be withheld until the applicant or transferring attorney, as the case may be, has provided sufficient security to the Finance Department to the effect that upon day of registration of transfer of the property; the outstanding amount will be paid, provided that in the event of registration of transfer of a property falling within the

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insolvent estate, such hypothec/lien will be subject to the provisions of section 89 of the Insolvency Act,1936 (Act 24 of 1936).

Where the applicant or transferring attorney has given security in respect of such hypothec/lien, he or she or it will inform the Finance Department in writing of the following dates:

I. Date of lodgment at the registrar of deeds

II. Date on which the set of transfer documents comes for preparation to be transferred

III. Date of registration after the transfer of the Finance Department by no later than 09:00 of the first following business day of such registration of transfer.

A prescribed clearance certificates issued by a municipality is valid for a period of 120 days (4 months). However if the 4 months period end after the 30th June, the new rate will apply.

(8) Levying of rates on property in sectional title schemes

a) Rates on property, which is subject to a sectional title scheme, including exclusive use areas, will be levied on the individual sectional title units as well as the right for further development and be rated at the tariff applicable to the development i.e. residential, industrial, business, commercial etc.

b) A rate levied by the municipality on a sectional title unit is payable by the owner of the unit or the holder of a right contemplated in section 25 or 27 of the Sectional Titles Act. (Amended by s16 of Act29 of 2014)

c) A municipality may not recover the rate on a sectional title unit, or on a right contemplated in section 25 or 27 of the Sectional Titles Act registered against the sectional title unit, or any part of such rate, from the body corporate controlling a sectional title scheme, except when the body corporate is the owner of any specific sectional title unit, or the holder of such right. (Amended by s16 of Act29 of 2014

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d) A body corporate controlling a sectional title scheme may not apportion and collect rates from the owners of the sectional title units in the scheme.

e) This section must be read subject to section 92 of the Act.

10. DIFFERENTIAL RATES

(1) Differential rates will be based on the extent to which services contemplated in Section 5(1) (c) and subsidized services in 5(1) (d) are provided by the municipality in respect of categories of properties contemplated in Section 6.

The provisions of section 8 must be applied by a municipality within seven years of the date of commencement of this Act.(Added by s35 of Act 29 of 2014

11. EXEMPTIONS, REBATES AND REDUCTIONS ON RATES

In applying the rate in the rand for each annual operating budget, council shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as highlighted in the policy, but council reserves the right to amend these exemptions, rebates and reductions if the circumstances of a particular annual budget so dictate.

In determining whether a property forms part of a particular category, the municipality shall have regard to the actual use to which the relevant property is put. In the case of vacant land not specifically included in any of the categories indicated, the permitted use of the property shall determine into which category it falls. Municipal properties shall include properties owned by municipal entities.

In granting exemptions, rebates and reductions to the categories of properties and categories of owners the Council recognise the following factors:

- The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain

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other properties to recover such rates as part of the expenses associated with the goods or services which they produce.

- The need to accommodate indigents and less affluent pensioners & persons dependant on a nominal income due to medical incapacitation or other factors as may be determined by Council from time to time.
- The services provided to the community by public service organizations.
- The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities, but also taking into account the municipal services provided to municipal residents who are employed in such activities.
- The need to preserve the cultural heritage of the local community.
- The need to encourage the expansion of public service infrastructure.
- The indispensable contribution which property developers (especially in regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development
- The indispensable contribution which township developers make towards local economic development of the maintenance of internal infrastructure.
- The requirements of the Property Rates Act no. 6 of 2004. The Municipal Manager in consultation with the Chief Financial Officer shall ensure that the revenues forgone in respect of the foregoing rebates and reductions are appropriately disclosed as an expense in each annual operating budget component and in the annual financial statements and annual report, and that such rebates and reductions are also clearly indicated on the rates accounts submitted to each property owner.
- **The Municipality will grant a rebate of 10% on a property value of R 100 000 000 (hundred million) and above.**

11.1 Exemptions

The following categories of property are exempted from rates:-

(a) Municipal properties

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Refer to section 6.1 f (a) Municipal properties: not ratable

(b) Residential properties

The first R15 000 of all residential properties including farms and small holdings 10 hectares and less that are not used for bona fide farming but for residential purposes as defined in this Policy, will be exempted from paying rates (not levy a rate). (c) Provisions made in Section 7 (2) (a) and the exclusions outlined in section 17 of the Local Government: Municipal Property Rates Act, No. 6 of 2004.

11.2 Rebates

In terms of section 15 of the Local Government: Municipal Property Rates Act, No. 6 of 2004 the following rebates are granted;

(a) All Residential properties, be rebated by the amount of rates payable on the municipal value as indicated:

Municipal Value	**% Rebate on rate**
First R15000	Exempt [Section 17(h) of the Act].
R15 001 to R100 000	100%

(b) All residential sectional title properties, as defined in the Rates Policy, be rebated by the amount of rates payable on the municipal value as indicated:

Municipal Value	**% Rebate on rate**
First R15000	Exempt [Section 17(h) of the Act].
R15 001 to R100 000	100%

(c) All residential vacant land as defined in the Rates Policy be rebated by the amount of rates payable on the municipal value as indicated:

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Category	Municipal Value	% Rebate on rate
	First R15000	Exempt [Section 17(h) of the Act].
Residential vacant land	R15001 to R40 000	100%

(d) All state owned properties as defined in the Rates Policy, qualify for a 20% rebate. All government properties are defined in schedule 1 & 3 of the Public finance Municipal Act.

(e) Special rebates to registered owners of residential properties who are senior citizens, disabled and/or medically unfit persons qualifying according to gross monthly household income of all persons normally residing on that property.

(f) To qualify for the rebate in (f) a property owner must:

1. Be a natural person.
2. Be the registered owner of the property.
3. Occupy the property as his/her normal residence on a full time basis.
4. Be at least 60 years of age or in receipt of a disability pension.
5. Complete a prescribed application form obtainable from the Municipality.
6. The application form must be accompanied by an affidavit as confirmation that all information contained in the application is true and correct.

The following also apply:

i) If the residence is vacated or the applicant passes away or an applicant reaches the age-restriction during the year, remission shall be calculated pro rata as from such date;

ii) Medical unfit persons who have not been declared unfit by a pension fund must submit the necessary proof that they have been declared unfit together with supporting evidence from two registered medical physicians;

iii) Disabled persons who wish to be declared disabled, must submit the necessary proof that they have been declared unfit together with supporting evidence from two registered medical physicians;

iv) Submission of bank statements or other official financial proof of income;

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v) Applications must be made annually for the rebate of property rates;

vi) If the applicant owns other properties for which a market related rental is obtained the rental will form part of the gross monthly household income;

vii) If the permitted use of a property in this category changes during a financial year, any rebate is forfeited from the date of the change.

ix) If circumstances change that the applicant does not comply.

x) Proposed gross monthly household income levels are set out in the table hereunder:

Gross monthly household income	**%**
R0 – R3970	100
R3971 to R5671	80
R5672 to R6238	60
R6239 to R6805	40
R6806 to R7372	20

(f) All Public benefit properties as defined in the Rates Policy qualify for a 20% rebate. (This rebate is only applicable to rates payable.)

(g) Organizations and institutions that are not categorized as public benefit and who is of the view that they qualify needs to apply annually for a rebate by completion of a prescribed application form.

In addition to the categories of rateable property determined in terms of section 8(2), a municipality may, subject to any ratio determined in terms of section 19, for the purposes of granting exemptions, rebates and reductions, determine such categories based on-

(a) properties used for public service purposes; and

(b) properties to which the provisions of the National Heritage Resources Act, 1999 (Act No. 25 of 1999), apply, or an institution that has been declared to be subject to the Cultural Institutions Act, 1998 (Act No. 119 of 1998). (Added by s11 of Act 29 of 2014)

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The following also apply:

1. Applications will only be considered after an application on the prescribed form has been lodged with the Municipality on an annual basis. Applications must reach the Municipality before 31 August preceding the start of the financial year for which relief is sought, failing which the rebate will lapse and will only be re-instated once the application has been approved.
2. All applications must be made under oath by the chairperson of the organization or institution. In addition, applications by public benefit organisations must be accompanied by a letter from the South African Revenue Service confirming that the organisation qualifies for exemption in terms of the Income Tax Act. All other property owners seeking an exemption must submit a letter from the organization or institution and an affidavit certifying that the activities performed are not for gain.
3. An application for an exemption or rebate must authorise the Municipality to inspect the property at any reasonable time during the financial year to confirm compliance with the conditions of the rebate. Where access is denied, the rebate may be withheld, or withdrawn, if already effective.
4. The onus rests on the applicant to ensure that the application form and all supporting documents are lodged timeously, and that the property concerned qualifies for the rebate;
5. Application must be accompanied by an income and expenditure statement and balance sheet that indicate the inability to pay for rates.
6. The effective date of a rebate shall be the beginning of the financial year irrespective of the date when the Municipality approves the application.
7. The Municipality reserves the right to refuse a rebate if the details supplied in the application are incomplete, incorrect, or false.

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(h) Owners of agricultural and farm-land who are billed at a rate other than the residential rate of bona fide farmers and who are of the view that they are bona fide farmers, needs to apply for a rebate by applying in writing.

The following apply:

1. Applications will only be considered after an application on the prescribed form has been lodged with the Municipality on an annual basis. Applications must reach the Municipality before 31 August preceding the start of the financial year for which relief is sought, failing which rebate will lapse and will only be re-instated once the application has been approved;

2. All applications must be made under oath. In addition, an owner must be registered with the South African Revenue Service as a farmer and must submit a copy of the last IT 48 ("calculations of taxable income from farming operations");

3. An application must authorise the Municipality to inspect the property at any reasonable time during the financial year to confirm compliance with the conditions of the rebate;

4. The Municipality reserves the right to refuse a rebate if the details supplied in the application are incomplete, incorrect, or false.

5. All applications must be submitted to the mayoral committee for approval annually.

(i) Specified development zones for commercial and industrial developers may be identified by Council, within its area of jurisdiction. Development within these areas may be encouraged by granting rebates in accordance with the Development Incentive Policy of Council.

(j) Owners who are registered as indigents in terms of the adopted indigent policy of the municipality.

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11.3 Reductions

Categories of property

(1) A reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted where the value of a property is affected by fire damage, demolishment or floods or natural disaster.

(2) The reduction will be in terms of the certificate issued for this purpose by the municipal valuer.

12. RATE INCREASES

(1) The municipality will consider increasing rates annually during the budget process.

(2) All increases in property rates will be communicated to the local community in terms of the council's policy on community participation.

(3) Promulgation of resolutions levying rates

(3.1) A rate is levied by a municipality by resolution passed by the municipal council with a supporting vote of a majority of its members.

(3.2) (a) A resolution levying rates in a municipality must be annually promulgated within 60 days from the date of the resolution, by publishing the resolution in the Provincial Gazette.

(b) The resolution must-

(i) contain the date on which the resolution levying rates was passed;

(ii) differentiate between categories of properties; and

(iii) reflect the cent amount in the Rand rate for each category of property. (Amended by s10 of Act 29 of 2014)

13. MULTI PURPOSE PROPERTIES

Property rates on properties used for multiple purposes will be levied in terms of section 9(2) (b) of the Act. Properties used for multiple purposes, other than those

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referred to under residential properties above, shall be rated on the value assigned to each component, and shall receive the rebate applicable to such component.

14. REGISTER OF PROPERTIES

(1) The Municipality must draw up and maintain a register of properties as contemplated in section 23 of the Act.

15. NOTIFICATION OF RATES

(1) Council will give notice of all rates approved on the effective date of implementation at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the effective date notice will be based on the new rates.

(2) A notice stating the date on which the new rates become applicable shall be displayed by the municipality at places demarcated for that purpose. Invitations for objections, with the prescribed proudanes must be included in this notice.

16. SHORT TITLE

This policy is the Property Rates Policy of the Lesedi Local Municipality.

17. CORRECTION OF ERRORS AND OMISSIONS

Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be used, the rates payable shall be appropriately adjusted for the period from the date on which the error or omission is detected back to the date on which rates were first levied in terms of

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the current valuation roll. In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

If an error occurred because of a municipality's fault no interest will be charged on the adjusted rates payable

18. FREQUENCY OF VALUATIONS

A valuation roll-

(a) takes effect from the start of the financial year following completion of the public inspection period required by section 49; and

(b) remains valid for that financial year or for one or more subsequent financial years as the municipality may decide, but in total not for more than-

(i) four financial years in respect of a metropolitan municipality; and

(ii) five financial years in respect of a local municipality.(Amended by s19 of Act29 of 2014)

(2) The MEC for local government in a province may extend the period for which a valuation roll remains valid[to five financial years, but only]-

(a) in the case of-

(i) a metropolitan municipality, to five financial years; and

(ii) a local municipality, to seven financial years,(Amended by s19 of Act29 of 2014) if the provincial executive has intervened in the municipality in terms of section 139 of the Constitution; or

(b) in the case of-

(i) a metropolitan municipality, to five financial years; and

(ii) a local municipality, to seven financial years,(Amended by s19 of Act29 of 2014) on request by the municipality, in other exceptional circumstances which warrant such extension

Adjustments or additions to valuation rolls

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(1) Any adjustments or additions made to a valuation roll in terms of section 51(c), 52 (3) or 69 take effect on the effective date of the valuation roll.

(2) If an adjustment in the valuation of a property affects the amount due for rates payable on that property, the municipal manager must-

(a) calculate-

(i) the amount actually paid on the property since the effective date; and

(ii) the amount payable in terms of the adjustment on the property since the effective date; and

(b) either-

(i) recover from[, or repay to], the person liable for the payment of the rate the difference determined in terms of paragraph (a) [plus interest at a prescribed rate.] without adding interest on the amount due for rates; or

(ii) repay to the person who made the payment the difference determined in terms of paragraph (a) plus interest at the prescribed rate; (Amended by s22 of Act 29 of 2014

Rates on a property based on the valuation of that property in a supplementary valuation [roll] become payable with effect from -(Amended by s26 of Act 29 of 2014) -

(a) the first day of the month following the posting of the notice contemplated in subsection (5) [the effective date of the supplementary roll,] in the case of a property referred to in subsection (1) (a)[, (e)] or (f);(Amended by s26 of Act 29 of 2014)

(aA) the first day of the month following the posting of the notice contemplated in subsection (5) in the case of property referred to in subsection 1 (a), (e), (f) or (h):

Provided that in the case of a decrease in value in respect of a property referred to in subsection 1(e), the rates become payable on the date the property was incorrectly valued or the clerical or typing error was made; (Added by s26 of Act 29 of 2014)

Whenever an occupational certificate is issued, an interim valuation should be conducted on the respective property.

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19. SPECIAL RATING AREAS

The Council may, on receipt of an application, create a special rating area or areas in terms of section 22 of the Act.

20. LEGAL REQUIREMENTS

A paraphrase – and in some instances an abridgement – of the key requirements of the Local Government: Property Rates Act no. 6 of 2004 is attached as **annexure "A"** to this policy.

21. EFFECTIVE DATE

This rates policy shall be effective from 1 July 2016.

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LEGAL REQUIREMENTS: **ANNEXURE "A"**

CAUTIONARY NOTE

This paraphrase is not meant to cover the complete contents of the Property Rates Act, but is focused rather on those requirements which are relevant to a municipality's rates policy. Thus the section dealing with transitional arrangements has been omitted, and so have most of the provisions dealing with the valuation process.

SECTION 2 : POWER TO LEVY RATES

A metropolitan or local municipality may levy a rate on property in its municipal area.

A municipality must exercise its power to levy a rate on property subject to Section 229 and any other applicable provisions of the Constitution, the provisions of the present Act, and the rates policy it must adopt in terms of section 3 of this Act.

SECTION 3: ADOPTION AND CONTENTS OF RATES POLICY

The council of a municipality must adopt a policy consistent with the present Act on the levying of rates on ratable property in the municipality. Such a rates policy will take effect on the effective date of the first valuation roll prepared by the municipality in terms of the present Act, and such policy must accompany the municipality's budget for the financial year concerned when that budget is tabled in the council in terms of the requirements of the Municipal Finance Management Act.

A rates policy must:

- treat persons liable for rates equitably;
- determine the criteria to be applied by the municipality if it:
  - levies different rates for different categories of properties determined in terms of section 8;(added by s3 of Act of 2014);

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- exempts a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate on their properties;
- grants to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rate payable in respect of their properties; or
- increases or decreases rates (added by s3 of Act 29 of 2014)

- determine or provide criteria for the determination of categories of properties for the purposes of levying different rates, and categories of owners of properties, or categories of properties, for the purpose of granting exemptions, rebates and reductions;
- determine how the municipality's powers in terms of Section 9 must be exercised in relation to properties used for multiple purposes;
- identify provide reasons for(added and deleted bbys25 of Act 19 of 2008) exemptions, reductions (added and deleted by s25 of Act 19 of 2008)
- take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them;
- take into account the effect of rates on organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for tax exemption because of those activities, in the case of property owned and used by such organisations for those activities; (added and deleted by s25 of Act 19 of 2008)
- take into account the effect of rates on public service infrastructure;
- allow the municipality to promote local, social and economic development; and
- identify, on a basis as may be prescribed, all ratable properties in a municipality that are not rated in terms of Section 7.

Any exemptions, rebates or reductions granted and provided for in the rates policy adopted by a municipality must comply and be implemented in accordance with a national framework that may be prescribed after consultation with organised local government.

No municipality may grant relief in respect of the payment of rates to:

- a category of owners of properties, or to the owners of a category of properties, other than by way of an exemption, rebate or reduction as provided for in its rates policy and granted in terms of Section 15 of the present Act; or
- to the owners of properties on an individual basis.

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SECTION 4: COMMUNITY PARTICIPATION

Before a municipality adopts its rates policy, the municipality must follow the process of community participation envisaged in Chapter 4 of the Municipal Systems Act; and comply with the following requirements, as set out below.

The municipal manager of the municipality must:

- conspicuously display the draft rates policy for a period of at least 30 days at the municipality's head and satellite offices and libraries, and, if the municipality has an official website or a website available to it, on that website as well; and
- advertise in the media a notice stating that a draft rates policy has been prepared for submission to the council, and that such policy is available at the various municipal offices for public inspection, and (where applicable) is also available on the relevant website; and inviting the local community to submit comments and representations to the municipality within a period specified in the notice, but which period shall not be less than 30 days. The council must take all comments and representations made to it into account when it considers the draft rates policy.

SECTION 5: ANNUAL REVIEW OF RATES POLICY

(1) The council must annually review, and – if needed – amend its rates policy. Any amendments to the rates policy must accompany the municipality's annual budget when it is tabled in the council in terms of section 16 (2) the Municipal Finance Management Act.

(2) When the council decides to amend the rates policy, community participation must be allowed for as part of the municipality's annual budget process in terms of section 22and 23 of the Municipal Finance Management Act.

SECTION 6: BY-LAWS TO GIVE EFFECT TO RATES POLICY

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1) A municipality must adopt and publish by-laws, in terms of section 12 and 13 of Municipal Systems Act, to give effect to the implementation of its rates policy (as amended by s4of Act 29 of 2014)
2) By-laws may differentiate between –
   a) different categories of properties, and
   b) different categories of owners of properties liable for the payment of rates.

SECTION 7: RATES TO BE LEVIED ON ALL RATEABLE PROPERTY

When levying rates a municipality must levy such rates on all ratable property in its area, but it is nevertheless not obliged to levy rates on:

- properties of which the municipality itself is the owner;
- public service infrastructure
- rights registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure attributable to past racially discriminatory laws or practices.

The requirement to levy rates on all rateable properties does not prevent a municipality from granting exemptions from rebates on or reductions in rates levied.

SECTION 8: DIFFERENTIAL RATES

(1) A municipality may in terms of the criteria set out in its rates policy levy different rates for different categories of rateable property, and these categories may be determined in subsection (2) and (3), which must be determined according to the – (amended by s6 of Act 29 of 2014)

(a) use of the property;

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(b) permitted use of the property; or

(c) combination of (a) and (b) (amended by s6 of Act 29 of 2014)

(2) A municipality must determine the following categories of ratable property in terms of subsection (1): Provided such property category exists within the municipal jurisdiction :

- residential properties
- industrial properties
- business and commercial properties
- agricultural properties;
- mining properties;
- properties owned by an organ of state and used for public service purposes;
- public service infrastructure properties;
- properties owned by public benefit organisations and used for specified public benefit activities;
- properties used for multiple purposes, subject to section 9: or
- any other category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by Notice in the Gazette. (Amended by s6 of Act 29 of 2014)

(3) In addition to the categories of property determined in terms of subsection (2), a municipality may determine additional categories of rateable property, including vacant land: Provided that, with the exception of vacant land, the determination of such property categories does not circumvent the categories of rateable property that must be determined in terms of subsection (2). (Amended by s6 of Act 29 of 2014)

(4) (a) Where a municipality can, on good cause, show that there is a to sub-categorise the

property categories listed in subsection (2), a municipality must apply to the Minister in

writing for authorisation to create one or more such sub-categories.

(b) Such application must-

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(i) be accompanied by a motivation for such sub-categorisation;

(ii) demonstrate that such sub-categorisation is not in contravention of section 19;

And

(iii) reach the Minister at least 15 months before the start of the municipal financial

year in which the municipality envisages levying a rate on such sub-categorised

property. (Amended by s6 of Act 29 of 2014)

SECTION 9: PROPERTIES USED FOR MULTIPLE PURPOSES

A property used for multiple purposes must, for rates purposes, be assigned to a category determined by the municipality for properties used for:

- a purpose corresponding with the permitted use of the property, (amended by s27 of Act 129 of 2008)
- a purpose corresponding with the dominant use of the property; or
- Multiple purposes, as specified in Section 8 (2)

A rate levied on a property assigned to a category of properties used for multiple purposes must be determined by:

- apportioning the market value of the property, in a manner as may be prescribed to the different purposes for which the property is used; and
- applying the rates applicable to the categories determined by the municipality for properties used for those purposes to the different market value apportionments.

SECTION 10: LEVYING OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

A rate on a property which is subject to a sectional title scheme must be levied on the individual sectional title units in the scheme, and not on the property on a whole.

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SECTION 11: AMOUNT DUE FOR RATES

A rate levied by a municipality on property must be stated as an amount in the rand:

- on the market value on the property;
- in the case of public service infrastructure, on the market value of the public service infrastructure less 30% of that value;
- in the case of property to which Section 17(1) (h) applies, on the market value of the property less the amount stated in that section (note the section concerned deals with the requirement that the first R15 000 of the market value of certain properties is not ratable).

A rate levied by a municipality on residential (Added by s8 of Act 29 of 2014) properties with a market value below a prescribed valuation level may, instead of a rate determined in terms of subsection (1), be a uniform fixed amount per property.

SECTION 12: PERIODS FOR WHICH RATES MAY BE LEVIED

In levying rates, a municipality must levy the rate for a financial year. A rate lapses at the end of the financial year for which it was levied.

The levying of rates forms part of the municipality's annual budget process, and the municipality must therefore annually, at the time of its budget process, review the amount in the rand of its current rates in line with the annual budget for the next financial year.

SECTION 13: COMMENCEMENT OF RATES

A rate becomes payable as from the start of the particular financial year, or if the municipality's annual budget is not approved by the start of the financial year, as from such later date when the municipality's annual budget, including the resolution levying the rates, is approved by the provincial executive in terms of the provisions of the Municipal Finance Management Act.

SECTION 14: PROMULGATION OF RESOLUTIONS LEVYING RATES

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A rate is levied by a municipality by a resolution passed by the council with a supporting vote of a majority of its members.

The resolution levying the rates must be annually promulgated within 60 days from the date of the resolution, by publishing the resolution in the provincial gazette.
The resolution must-

- contain the date on which the resolution levying rates was passed;
- differentiate between categories of properties; and
- reflect the cent amount in the Rand rate for each category of property (amended by s10 of Act 29 2014)

Whenever a municipality passes a resolution to levy rates, the municipal manager must, without delay, conspicuously display the resolution for a period of at least 30 days at the municipality's head and satellite offices and libraries, and if the municipality has an official website or a website is available to it, on that website as well; and advertise in the media a notice stating that the resolution levying the property rates has been passed by the council, and that the resolution is available at the municipality's head and satellite offices as so forth.

SECTION 15: EXEMPTIONS, REDUCTIONS AND REBATES

A municipality may in terms of the criteria which it has set out in its rates policy:

- exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of the rate levied on their property; or
- Grant to a specific category of owners, or to the owners of a specific category of properties, a rebate on or a reduction in the rates payable in respect of their properties.

In granting exemptions, reductions and rebates in respect of owners or categories of properties, a municipality may determine such categories in accordance with Section 8 (2) and subsection (2A) of the present Act, and when granting exemptions, reductions or rebates in respect of categories of owners of properties, such categories may include:

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- indigent owners;
- owners dependent on pensions or social grants for their livelihood;
- owners temporarily without income;
- owners of property situated within an area affected by a disaster or any other serious adverse social or economic conditions;
- owners of residential properties with a market value lower than an amount determined by the municipality; and
- Owners of agricultural properties who are bona fide farmers.

(2A) In addition to the categories of rateable property determined in terms of section 8(2), a municipality may, subject to any ratio determined in terms of section 19, for the purposes of granting exemptions, rebates and reductions, determine such categories based on-

(a) properties used for public service purposes; and

(b) properties to which the provisions of the National Heritage Resources Act, 1999 (Act No. 25 of 1999), apply, or an institution that has been declared to be subject

to the Cultural Institutions Act, 1998 (Act No. 119 of 1998). (Added by s11 of Act 29 of 2014)

The ~~Executive Mayor~~ municipal manager must annually table in the council:

- a list of all exemptions, reductions and rebates granted by the municipality during the previous financial year; and
- A statement reflecting the income which the municipality has forgone during the previous financial year by way of such exemption, reductions and rebates,

Projections regarding revenue to be forgone for a financial year in relation to subsection (3) (b) (Amended by s28 of Act 19 of 2008) must be reflected in the municipality's annual budget for that year as income on the revenue side and expenditure on the expenditure side.

SECTION 16: CONSTITUTIONALLY IMPERMISSIBLE RATES (ABRIDGED)

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In terms of the Constitution a municipality may not exercise its power to levy rates on property in a manner that materially and unreasonably prejudices national economic policies, economic activities across its boundaries, or the national mobility of goods, services, capital and labour.

If a rate on a specific category of properties, or a rate on a specific category of properties above a specific amount in the rand, is materially and unreasonably prejudicing any of the matters referred to above, the Minister Provincial and Local Government, with the concurrence of the Minister of Finance must, by notice in the gazette, give notice to the relevant municipality that the rate must be limited to an amount in the rand specified in the notice.

SECTION 17: OTHER IMPERMISSIBLE RATES (ABRIDGED)

A municipality may not levy a rate on:

- subject to paragraph (aA) the first 30% of the market value of public service infrastructure;

(aA) on any property referred to in paragraphs (a), (b), (e), (g) and (h) of the definition of "public service infrastructure(Amended by s13 of Act 29 of 2014)

- any part of the seashore as defined in the National Environmental Management: Integrated Coastal Management Act, 2007 (Act No. 24 of 2008);(Amended by s13 of Act 29 of 2014)
- any part of the territorial waters of the Republic;
- any islands of which the state is the owner;
- those parts of a special nature reserve, national park or nature reserve or national botanical garden which are not developed or used for commercial, business, agricultural or residential purposes;
- ~~mineral~~ mining rights or a mining permit excluding any building, other immovable structures and infrastructure above the surface of the mining property required for purposes of mining

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- property belonging to a land reform beneficiary or his or her heirs, dependants or spouse provided that this exclusion lapses 10 years from the date on which such beneficiary's title was registered in the office of the registrar of deeds; or
  upon alienation of the property by the land reform beneficiary or his or her heirs, dependants or spouse
- the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll to a category determined by the municipality for residential purposes or for properties used for multiple purposes, provided one or more components of the property are used for residential purposes;
- a property registered in the name of and used primarily as a place of public worship by a religious community, including ~~an~~ the official residence registered in the name of that community which is occupied by ~~an~~ the office -bearer of that community and who officiates at services at that place of works
- The exclusion from rates of a property referred to in subsection (1) (b) lapses- if the property is alienated or let: or if the exclusion from rates of a property lapses in terms of the above if the new owner or lessee becomes liable to the municipality concerned for the rates that, had it not been for subsection (1)(b), would have been payable on the property, notwithstanding section 78, with effect from the date of alienation or lease."

(The remainder of this Section deals with situations where the various exemptions lapse).

SECTION 18: EXEMPTION OF MUNICIPALITIES FROM PROVISIONS OF SECTION 17

A municipality may apply in writing to the Minister for Provincial and Local Government to be exempted from applying the exemptions granted in respect of the first 30% of the market value of public infrastructure, the exemptions on nature reserves, national parks and national botanical gardens, the exemption on property belonging to land beneficiaries, and the exemption applying to the first R15 000 of the market value of residential and mixed use property, if the municipality can demonstrate that such exclusions are compromising or impeding its ability or right to exercise its powers or perform its functions within the meaning of the Constitution.

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SECTION 19: IMPERMISSIBLE DIFFERENTIATION

A municipality may not levy:

- different rates on residential properties except as provided for in section 11(2), 21 and 89A Provided that this paragraph does not apply to residential property which is vacant;
- a rate on a category of non-residential properties that exceeds a prescribed ratio to the rate on residential properties; provided that different ratios may be set in respect of different categories of non- residential properties
- rates which unreasonably discriminate between categories of non-residential properties; and
- Additional rates, except as provided for in Section 22.

SECTION 20: LIMITS ON ANNUAL INCREASES OF RATES

The Minister of Provincial Local Government may, with the concurrence of the Minister of Finance and by notice in the gazette, set an upper limit on the percentage by which. rates on property categories or a rate on a specific category of properties may be increased; or the total revenue derived from rates on all property categories or a rate on a specific category of properties may be increased.

Different limits may be set for different kinds of municipalities or different categories of properties, types, or budgetary size of municipalities or in any other way;

The Minister may, with the concurrence of the Minister of Finance, and by the notice referred to in subsection (1), delay the implementation of a limit, for a period determined in that notice and in respect of the different kinds of municipalities defined in terms of subsection (2)(a).(Added by s15 of Act29 of 2014)

The Minister may, on written application by a municipality, and on good cause shown, exempt such municipality from a limit set in terms of the foregoing.

SECTION 21: COMPULSORY PHASING IN OF CERTAIN RATES

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A rate levied on newly rateable property must be phased in over a period of three financial years. Similarly, a rate levied on property owned by a land reform beneficiary must, after the exclusion period has lapsed, be phased in over a period of three financial years.

A rate levied on a newly rateable property owned and used by organisations conducting specified public benefit activities must be phased in over a period of four financial years.

The phasing in discount on a property must:

- in the first year, be at least 75% of the rate for that year otherwise applicable to that property;
- in the second year, be at least 50% of the rate for that year otherwise applicable to that property, and;
- In the third year, be at least 25% of the rate for that year otherwise applicable to that property.

No rate may be levied during the first year on newly rateable property owned and used by organisations conducting specified public benefit activities. Thereafter the phasing in discount shall apply as for other newly rateable property except that the 75% discount shall apply to the second year, the 50% to the third year, and the 25% to the fourth year.

A rate levied on newly rateable property may not be higher than the rate levied on similar property or categories of property in the municipality.

SECTION 22: SPECIAL RATING AREAS (ABRIDGED)

A municipality may by a resolution of its council determine an area within that municipality as a special rating area, levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area, and differentiate between categories of properties when levying such additional rate.

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For determining such a special rating area, the municipality must undertake a prescribed process of consultation with the local community, and obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate.

The levying of an additional rate may not be used to reinforce existing inequities in the development of the municipality, and any determination of a special rating area must be consistent with the objectives of the municipality's IDP.

SECTION 23: REGISTER OF PROPERTIES

The municipality must draw up and maintain a register in respect of all properties situated within that municipality, dividing such register into a part A and a part B.

Part A of the register consists of the current valuation roll of the municipality, including any supplementary valuation rolls prepared from time to time.

Part B of the register specifies which properties on the valuation roll or any supplementary valuation rolls are subject to:

- an exemption from rates in terms of Section 15 of the present Act;
- a rebate on or a reduction in the rate in terms of Section 15;
- a phasing in of the rate in terms of Section 21; and
- an exclusion referred to in Section 17.

The register must be open for inspection by the public during office hours, and if the municipality has an official website or a website available to it, the register must also be displayed on that website.

The municipality must at regular intervals, but at least annually, update part B of the register.

SECTION 24: PROPERTY RATES PAYABLE BY OWNERS

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A rate levied by a municipality on property must be paid by the owner of the property.

Joint owners of a property are jointly and severally liable for the amount due for rates on that property.

In the case of agricultural property owned by more than one owner in undivided shares, the municipality must consider whether in the particular circumstances it would be more appropriate for the municipality to hold any one of the joint owners liable for all rates levied in respect of the agricultural property, or to hold any joint owner only liable for that portion of the rates levied on the property that represent that joint owner's undivided share in the agricultural property.

SECTION 25: PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

The rate levied by a municipality on a sectional title unit is payable by the owner of the unit. or the holder of a right contemplated in section 25 or 27 of the Sectional Titles Act. (Amended
by s16 of Act29 of 2014)

The municipality may not recover the rate on such sectional title unit, or on a right contemplated in section 25 or 27 of the Sectional Titles Act registered against the sectional title unit,or any part of such rate, from the body corporate controlling the sectional title scheme, except when the body corporate itself is the owner of any specific sectional title unit, or the holder of such right. (Amended by s16 of Act29 of 2014)

A body corporate controlling a sectional title scheme may not apportion and collect rates from the owners of the sectional title units in the scheme.

This section must be read subject to section 92.

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SECTION 26: METHOD AND TIME OF PAYMENT

A municipality must recover a rate on a monthly basis, or less often as may be prescribed in terms of the Municipal Finance Management Act, or annually, as may be agreed to with the owner of the property.

If the rate is payable in a single annual amount, it must be paid on or before a date determined by the municipality. If the rate is payable in installments, it must be paid on or before a date in each period determined by the municipality.

SECTION 27: ACCOUNTS TO BE FURNISHED

A municipality must furnish each person liable for the payment of a rate with a written account specifying:

- the amount due for rates payable;
- the date on or before which the amount is payable;
- how the amount was calculated;
- the market value of the property;
- if the property is subject to any compulsory phasing in discount in terms of Section 21, the amount of the discount, and
- if the property is subject to any additional rate in terms of Section 22, the amount due for additional rates.

(1A) A person liable for a rate must furnish the municipality with an address where correspondence can be directed to. (Added by s17 of Act29 of 2014)

The person liable for payment of the rates remains liable for such payment whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, that person must make the necessary enquiries from the municipality.

SECTION 28: RECOVERY OF RATES IN ARREARS FROM TENANTS AND OCCUPIERS

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If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined for payment by the municipality, the municipality may recover the amount in whole or in part from a tenant or occupier of the property, despite any contractual obligation to the contrary on the tenant or occupier. The municipality may recover an amount only after it has served a written notice on such tenant or occupier.

The amount that the municipality may recover from the tenant or occupier is limited to the amount of the rent or other money due or payable, but not yet paid, by such tenant or occupier to the owner of the property.

SECTION 29: RECOVERY OF RATES FROM AGENTS

A municipality may recover the amount due for rates on a property in whole or in part from the agent of the owner, if this is more convenient for the municipality, but only after the municipality has served a written notice on the agent in this regard.

The amount that the municipality may recover from the agent is limited to the amount of any rent or other money received by the agent on behalf of the owner, less any commission due to the agent.

SECTION 30: GENERAL VALUATION AND PREPARATION OF VALUATION ROLLS

A municipality intending to levy a rate on property must cause a general valuation to be made of all properties in the municipality, and must prepare a valuation roll of all properties in terms of such valuation.

All rateable properties in a municipal area must be valued during such general valuation, including all properties fully or partially excluded from rates in terms of Section 17 of the present Act. However, if the municipality does not intend to levy rates on its own property, on public service infrastructure owned by a municipal entity, on rights in properties, and on properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racial

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discrimination, the municipality is not obliged to value such properties as part of the valuation process.

A municipality may also apply to the Minister for exemption from the obligation to value properties excluded from rates in terms of Section 17 if the municipality can demonstrate that the valuation of such properties is too onerous for it, given its financial and administrative capacity.

Properties which have not been valued, because of any of the foregoing considerations, must nevertheless be included in the valuation roll.

SECTION 31: DATE OF VALUATION

For the purposes of a general valuation a municipality must determine a date that may be not more than 12 months before the start of the financial year in which the valuation roll is to be first implemented.

The general valuation must reflect the market values of properties in accordance with market conditions which apply as at the date of the valuation, and in accordance with any other applicable provisions of the present Act.

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SECTION 32: COMMENCEMENT AND PERIOD OF VALIDITY OF VALUATION ROLLS (ABRIDGED)

A valuation roll takes effect from the start of the financial year following completion of the public inspection period required by the present Act, and remains valid for that financial year or for one or more subsequent financial years, as the municipality may decide, but in total not for more than five financial years.

Section 32(2) provides for the extension of the period of validity of the valuation roll by the MEC for Local Government, but only up to a period of seven financial years, and only in specified circumstances.
If the provincial executive has intervened in the municipality in terms of section 139 of the constitution will be for a period of seven financial years on request by the municipality and only in specified circumstances.

SECTION 46: GENERAL BASIS OF VALUATION (ABRIDGED)

The market value of a property is the amount the property would have realised if sold on the date of valuation in the open market by a willing seller to a willing buyer.

SECTION 47: VALUATION OF PROPERTY IN SECTIONAL TITLE SCHEMES

When valuing a property which is subject to a sectional title scheme, the valuer must determine the market value of each sectional title unit in the scheme.

A municipal valuer must on completion of the supplementary valuation contemplated in subsection (1) (a) to (g), and following a correction contemplated in subsection 1(h), serve the results of the supplementary valuations or corrections contemplated in subsections (1)(g) and (h), by ordinary mail, or if appropriate, in accordance with section 115 of the Municipal Systems Act, on every owner of property who has been affected by a supplementary valuation contemplated in subsection (1)(a) to (g) and a correction contemplated in subsection (1)(h), a notice reflecting the supplementary valuation or correction

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of the property, as well as the particulars listed in section 48(2); (Added by s26 of Act 29 of 2014)

The notice referred to in paragraph (a) must inform the property owner that he or she may lodge a request for review with the municipal manager in writing, within 30 days after the posting of the notice in respect of any matter reflected in the supplementary valuation; (Added by s26 of Act 29 of 2014)

The municipal valuer may adjust the valuation on consideration of the request for review contemplated in paragraph (b). (Added by s26 of Act 29 of 2014)

The municipality must, at least once a year, compile and publish a supplementary valuation roll of all properties on which a supplementary valuation, as contemplated in subsection (1) was made, including review decisions referred to in subsection (5)(b), and

make it public and available for inspection in the manner provided for in section 49.(Added by s26 of Act 29 of 2014)

SECTION 77: GENERAL

A municipality must regularly, but at least once a year, update its valuation roll by causing a supplementary valuation roll to be prepared, or the valuation roll itself to be amended.

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